

your health

N E T W O R K

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Protecting Your Health Information

Keeping our private health information secure and confidential is important to all of us. New privacy regulations required by the Federal Health Insurance Portability and Accountability Act (HIPAA), which became effective in April of this year, place new requirements on how your private health information is handled by healthcare providers and health plans. These new standards provide patients more control over how their personal health information is used and disclosed. They represent a uniform, federal floor of privacy protections for consumers across the country.

You may have already noticed the differences if you have recently seen your doctor or picked up a prescription. Sign-in information is protected from view by other patients and many pharmacies have installed privacy booths so you may discuss your prescription concerns with the pharmacist without other waiting customers overhearing the conversation.

All plan members were sent a copy of the State Group Insurance Program's Notice of Privacy Practices describing your rights under the law and how the Division of Insurance Administration,

as well as our plan administrators (BlueCross BlueShield of Tennessee, John Deere Health and Aetna US HealthCare) must protect your private health information from disclosure to unauthorized individuals. These same regulations apply to your physician and hospital, as well as other healthcare providers where you may seek care.

Due to these new requirements, when you call our office or the plan administrator you will be asked to verify your identity. If a personal representative of yours were to call (such as your spouse) they will also have to identify themselves by verifying your subscriber identification number, describing relationship to you, and providing other identifying information. This is all done to protect your health information, so please be aware that your personal representative must be able to properly identify themselves in order to provide any assistance to you in answering benefit questions. If the required information cannot be provided, we cannot release information to the caller.

Your health is important to us, and so is your privacy. Please bear with us as we continue to implement the phases of protection required under HIPAA. ■

Healthcare Expenses Continue to Rise

Benefit payments by the PPO, POS and HMO options increased at double digit rates during 2002. For the PPO and POS, this level of increase has occurred since 1999. Unfortunately, because benefit payments represent about 91 percent of expenses for the State, Local Education and Local Government Plans, this trend could mean another premium increase for 2004, benefit changes, or both.

The PPO benefit payments per plan member increased to \$2,973, up 16 percent compared to 2001. Pharmacy costs, which doubled between 1999 and 2002, accounted for at least one-third of the increase. Inpatient expenses accounted for about 20 percent of the PPO increase—inpatient expenses rose because the cost of a single day of hospitalization increased to \$2,430 while the number of inpatient days increased by 8 percent. Outpatient costs grew by 15 percent due to increased utilization (each plan member received, on average, 55 outpatient services during 2002; outpatient services include pharmacy) and a seven percent increase in the payment per service.

Benefit payments to members selecting the POS option increased more rapidly, by 19 percent to \$2,496 for 2002. Pharmacy charges, which accounted for a third of the increase, were pushed up by increasing use of prescription drugs and a 24 percent increase in the cost per prescription. Other outpatient charges accounted for 40 percent of the 2002 increase in POS benefit payments. Outpatient charges grew due to increasing use of services (to 40 per person for 2002) and an eight percent increase in the payment for each service. Inpatient treatment accounted for about 20 percent of the increase.

HMO benefit payments increased by 15 percent to \$2,496. Inpatient expenses actually went down due to a 29 percent reduction in hospitalization which was partially offset by a 22 percent increase

in payment per day. Outpatient costs grew by 24 percent during 2002, pushed by increases in both utilization (increasing by 16 percent to 40 services per member for 2002) and price for service (a seven percent increase).

Also, during 2002, the portion of expenses paid by the plan increased because the medical deductible and copayment amounts and out-of-pocket limits did not change. The portion of the bill paid by the PPO increased by one percent to 84 percent—the employee portion declined to 16 percent. The portion of the eligible expenses paid by the POS option also increased

by one percent to 90 percent for 2002. The portion paid by the HMO remained constant at 92 percent of the eligible expenses.

Editor's Note:

The Division of Insurance Administration website contains significant amounts of data concerning plan finances and the cost and utilization of healthcare services by plan members. Check out the details for the individual plans and each healthcare option by going to www.state.tn.us/finance/ins/. The 2002 data will be posted by July 30. ■

Use Your Medical Benefits Wisely

Your health insurance gives you access to providers, but you're in control when it comes to getting care and the most value for your money. If you use your insurance in ways it's not intended—like going to the emergency room for non-emergencies—you will pay higher prices out of your pocket.

Here are just a few sensible ways to help keep costs at a reasonable level and get the most from your benefits.

Use Network Doctors and Hospitals

Providers in your healthcare network have negotiated arrangements with your insurance carrier. Therefore, the cost is less for you and the plan. When you use out-of-network providers, there is little you can do to control costs. You'll pay more in deductibles and coinsurance, and you may be charged more than what the plan allows—and you pay that difference.

Use the ER for Emergencies

The emergency room is for emergencies, not routine care. Emergency room visits are expensive for you and your plan. Seek medical care when you need it, but do so wisely. A physician office visit can be as effective and it's much less expensive.

Pre-certify Hospital Stays

Some services, such as non-emergency hospital admissions, require advance approval. In-network, most pre-certification requirements are handled by your doctor's office. Out-of-network, getting that approval is up to you. Either way, it's a good idea to confirm that services have been pre-certified when needed.

Know Your Limits

Some healthcare services such as chiropractic care, physical therapy and mental health treatment have annual visitation limits or benefit maximums that you need to be aware of if you use those services.

Invest in Yourself Through Preventive Care

- See your doctor for an annual physical or well-woman exam.
- Eat smart to meet your nutritional needs.
- Exercise regularly. It's a key component of healthy living.
- Limit alcohol to sensible amounts.
- If you smoke, stop. Or at least cut back.

notable

As part of the budget reductions for fiscal year 2003-2004, production and distribution of Your Health Network will be reduced to two issues per year.

If you are court ordered to provide coverage for your dependent children, you may not remove them from coverage without a second court order releasing you from this obligation, a letter from the court or proof of other coverage for the child or children listed on the original order.

If you take prescription medication for seasonal allergies, you should know that there are now some new over-the-counter options available such as Alavert, Tavist ND and Claritin OTC. If you are currently using a prescription antihistamine, talk to your doctor before switching to an over-the-counter product.

All state-sponsored health insurance plans require all claims to be filed within 13 months of the date of service. This includes prescription drug claims. Network providers will file claims for you. However, claims for services rendered out-of-network or prescription drugs purchased from a non-participating pharmacy must be filed within the 13 month time period for reimbursement consideration.

Babies First is a prenatal care program for expectant mothers in the BlueCross BlueShield Preferred Provider Organization or Point of Service option. Participants receive \$50 and copies of the best sellers *What to Expect When You're Expecting* and *What to Expect the First Year*.

Local Education Plan Retirement Provisions

Local Education Plan participants considering retirement should be aware that there are different provisions concerning eligibility for retirement versus eligibility for premium support upon retirement.

As specified in Tennessee Code Annotated 8-27-205(b)(2), premium support for retirees is provided to certified personnel only. Therefore, while participants employed in a support staff position may count their years of employment with a participating local

education agency toward retirement, this is for the purpose of being eligible to retire only and does not apply for premium reduction purposes.

The Division of Insurance Administration's web site provides premium listings for all employee classifications. When reviewing this information to determine your premium upon retirement, please select the appropriate category for your employment position: either teacher or support staff. ■

EAP Recognizes Awareness Month Participants

The Employee Assistance Program held a recognition and awards celebration in April to honor participants in March EAP Awareness Month. Awards were given based on written reports submitted that described sponsored activities. The top award winners were as follows:

Most Outstanding Creativity and Participation

Dept. of Correction

Most Outstanding Participation

Dept. of Health

Continuous Outstanding Participation

University of Tennessee—Knoxville

Creativity

Dept. of Children's Services

Outstanding Participation

Dept. of Mental Health and Developmental Disabilities

Dept. of Transportation

East Tennessee State University

Bristol City Schools

Southwest Community Services Agency

New Rising Star

Office of the Comptroller

Memphis/Shelby County CSA

TN Technology Center at Crump

TN Wildlife Resources Agency

Best Collaboration

Dept. of Finance and Administration
Dept. of General Services

Certificates of Appreciation signed by Governor Bredesen were presented to other participating agencies, departments and schools.

The poster contest winner was Grand Junction Elementary School of Hardeman County and a cash prize was presented by United Behavioral Health. Over 1,500 employees participated in seminars, employee orientations and supervisory training sessions presented by the state EAP office. That was in addition to activities that were sponsored by individual agencies, departments and schools. "March EAP Awareness Month continues to be a great way to get employees involved in looking at services provided by the program" according to Dr. Carol Boone, EAP Administrator.

Members of the EAP Advisory Council Steering Committee were

Linda Bishop — TN Board of Regents

Regina Chaffin — General Services

Karen Haynes — Correction

Nicole Ramey — Children's Services

Connie Johnson-Sehorn — Finance and Administration

Carolyn Wilson — Wildlife Resources

Want to Lower Your Healthcare Costs? Consider Using Generic Drugs

Drug companies spend billions of dollars targeting consumers. This means we often spend more money on prescription drugs. Using generic drugs can cut costs.

Have you noticed that advertisements for drugs are as common as car and soft drink ads? The startling fact is that pharmaceutical manufacturers spent about \$2.5 billion in 2001 on direct-to-consumer TV, radio and print ads designed to sell expensive brand-name drugs. In 2000, the direct-to-consumer advertising budget for Vioxx, an anti-arthritis drug, was \$160 million. This topped the ad budgets for Pepsi (\$125 million), Budweiser (\$146 million) and Nike (\$78.2 million). In fact, according to a study by the consumer health organization, Families USA, pharmaceutical companies spend twice as much on marketing, advertising and administration as they did on research and development.

Since 1993, the FDA has approved 232 new drugs, with 52 entering the market between 1999 and the first half of 2000. Some of these new drugs can cost between \$70 and \$1,000 per month. Sticker shock for those of us who still think prescriptions cost between \$5 and \$25 each. While you may only take note of the co-payment your prescription costs, the balance of the cost is paid by the health plan—using the money you and your employer pay in premium. The higher cost of drugs raises the total cost of your health care policy. This means your premiums go up!

Generics are priced a lot lower than the equivalent brand-name versions—usually 30-75 percent less. Why? Generic drug manufacturers spend less on advertising and product development. The name equivalent is already well known while the generic has the same active ingredient. Because several different manufacturers may produce generic versions of the same medication, competition can drive prices down.

Today's advertising leads us to believe there's a pill for everything. Ads may also create an artificial demand for a drug. Patients largely leave their doctor's office unhappy if a drug is not prescribed to make them feel better. And studies show that one of every three patients will ask for an advertised drug and 73 percent of the time, doctors comply with the patient's request. Discuss with your doctor what prescription is right for you. There's a good chance an equally effective brand-name alternative or generic is available for much less. Or, a change of lifestyle habits—diet and exercise—may be the answer instead of pills.

State PPO Drug Use

During 2002, individuals enrolled in the Preferred Provider Organization filled a total of 2,126,131 prescriptions. Of these, just under 37 percent were for a generic drug; 25 percent were a drug from the preferred brand list; and

almost 38 percent paid the highest copayment by requesting a specific name brand drug on the non-preferred brand list.

Tools You Can Use

Both BlueCross and John Deere have made available on the internet a new generic drug calculator. Individuals can select a drug name and enter their current dosage and the calculator will find an equivalent drug and calculate the savings when you switch to a generic version. To use the calculator please visit:

- BlueCross BlueShield
www.tennesseehealth.com
- John Deere Health
www.johndeerehealth.com/employer/tennstate/

If you are interested in lowering your healthcare costs, consider generic drugs, The Unadvertised Brand. ■

Coverage Can Continue While on Workers' Comp

State Plan Participants

Any employee who qualifies for total, temporary disability benefits (lost time pay) from the Board of Claims and was participating in a state-sponsored health plan at the time the work-related injury occurred may continue participation in the plan during the approved time

period. The employer is responsible for the total cost of the health coverage only. Any optional coverages (life, dental and optional accident) are the responsibility of the employee.

This policy is in effect even if the individual's employment has been terminated. ■

Life Insurance Contract Due to Expire

Currently, Fort Dearborn Life Insurance Company holds the contract for the provision of basic term life, accidental death and dismemberment and optional accidental death and dismemberment coverages for eligible state employees. This contract will expire at the end of calendar year 2003.

The division is in the process of issuing a Request for Proposals to re-procure these services for 2004. While the outcome of this procurement could result in a new vendor, plan members should not experience any change in the benefit structure. Of course, as with any procurement of this nature, a change in premium could occur. ■



Q I suffer from arthritis pain and my medications do not always ease all of the pain. What else can I do to alleviate the pain associated with my arthritis?

A According to the Center for Disease Control and Prevention, one in three adult Americans are affected by arthritis and chronic joint symptoms and medication does not always alleviate all of the pain associated with this autoimmune disease. Help yourself by trying these additional techniques:

- Do gentle stretching exercises.
- Keep your weight under control. Being overweight puts added pressure on your joints.
- Take a hot shower or bath.
- Use an ice pack or heating pad on the sore area for a few minutes several times each day.
- Exercise. Low-impact exercise such as swimming in a heated pool or walking will keep your joints moving, reduce pain and strengthen muscles around the joints.
- Listen to your body and do not do too much. Although physical activity is important, if your joint is inflamed, it is not a good time to be exercising strenuously.

State Insurance Committee Election Change

The authorization for providing group insurance benefits for public officers, state, local education and local government employees and retirees is found in Chapter 27 of Title 8, Tennessee Code Annotated. The benefit plans authorized by this legislation are governed separately by three committees identified as the State, Local Education and Local Government Insurance Committees. Each of these committees represents the interests of the employer and their employees in financially separate benefit plans.

The membership of the State Insurance Committee provides for the selection of two state employee representatives. The statute indicates that the procedure adopted by the State Insurance Committee for selection of these two members should be similar to that used

in the selection of the state employee trustees of the Tennessee Consolidated Retirement System.

In 2001, the General Assembly adopted legislation which increased the length and term of the two state employee trustees of the Tennessee Consolidated Retirement System from two years to three years. Normally, the State Insurance Committee would conduct an election in 2003 for the purpose of electing the two state employee members. However, in an effort to comply with the statute and in recognition of the change in the term of the TCRS elected state employee members, the election for employee representatives to the State Insurance Committee will be extended by one calendar year. Future elections will now be held on a three year basis rather than two years with the next employee election to be held in the spring of 2004. ■

Long-Term Care Enrollment Continues

State Plan Participants

If you didn't take the opportunity to enroll in long-term care coverage during the initial open enrollment period, it's not too late. While coverage for active employees is no longer on a guaranteed issue basis, you may still enroll by undergoing medical underwriting. And, unlike the other coverages offered through the state group insurance program, eligible individuals may apply for coverage at any time and do not need to wait for the annual enrollment transfer period held during the fall.

This optional coverage is available to state plan members only. Those eligible to apply for long-term coverage include active employees, their eligible dependents, retirees, parents and in-laws.

Long-term care benefits cover services required by individuals who are no longer able to care for themselves

without the assistance of others. Services covered under this plan include nursing home care, assisted living, home health care, home care and adult day care. Benefits are available through different options based on a daily benefit amount (\$100, \$150 and \$200) for either a three-year or five-year coverage period. The benefits are available with or without inflation protection.

To obtain more information on the state's long-term care coverage:

- Visit the website at www.ltc-tn.com
- Call MedAmerica toll-free at 1.866.615.5824

As with other optional insurance products, the premium for this coverage is the full responsibility of the participant. No support is provided by the employing agency. ■

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Editor: Alisa Minton, Thirteenth Floor, William R. Snodgrass Tennessee Tower, 312 Eighth Avenue North, Nashville, TN 37243
Phone: 615.741.3590

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State of Tennessee
Division of Insurance Administration
Thirteenth Floor
William R. Snodgrass Tennessee Tower
312 Eighth Avenue North
Nashville, TN 37243